

RETIREMENT

AIA PENSIONS

Pension for everyone!



aialife.com.lk



HEALTHIER, LONGER,
BETTER LIVES

Approximately only 5% of people live comfortably after retirement. Most of us do not fall into that category because we fail to plan. Now, AIA provides you the opportunity to be within that 5%, by introducing a pension for everyone in Sri Lanka. All you are required to do is decide when to retire, how much you will need as a monthly pension and for how long you will need that pension for.

A monthly pension for you

You will start receiving a monthly pension commencing from your chosen Retirement Age. You have the option of choosing a pension receiving period between 10 - 30 years. Even if you are unable to pay your premium (during the premium paying term) due to a Total Permanent Disability, the Company will pay the premium on your behalf ensuring continuous build-up of your Pension fund, assuring you a monthly pension from the Retirement Age.

A pension for your spouse, if you are not there

In the unforeseen event of your death AIA will continue your policy by paying the premium on your behalf, ensuring that your spouse or dependents receive a monthly pension, until the end of the opted pension receiving period.

Investment choices to build your fund

You have a choice of four investment strategies, namely Cautious, Moderate, Aggressive and Advanced which allows you to invest your Pension fund in investment options ranging from treasury bills to stock market.

A safeguard against inflation

An in-built Inflation Guard protects your Pension fund against inflation even in the unforeseen event of your death or Total Permanent Disability.

Ability to withdraw funds in an emergency

After the completion of three policy years, you have the option to withdraw up to 15% of the Pension fund as an emergency withdrawal, once during the premium paying term. In addition to the emergency withdrawal, upon reaching the retirement age you will have the option of making a withdrawal of up to 100% of your Pension fund.

If you make a withdrawal of 100% of your Pension fund, your policy will cease and you will not receive a monthly pension. However, if you withdraw only a part of your Pension fund, your monthly Pension will depend on the balance of your Pension fund and the opted Pension receiving period.

Investment choices to build your fund

You have the option of selecting any one of the following 4 Investment Strategies at the policy commencement.

Investment Strategy	% of Premium Paying Term in Growth Fund	% of Premium Paying Term in Balanced Fund	% of Premium Paying Term in Secure Fund
Cautious	25%	55%	20%
Moderate	40%	40%	20%
Aggressive	65%	20%	15%
Advanced	You decide when and how to invest and switch		

For Cautious, Moderate and Aggressive strategies your funds will be invested in each of the 3 investment-linked funds based on pre-defined investment timelines. During the pension receiving period, your funds will remain in the Secure fund.

For Example: For a 20 year premium paying term, if you select Aggressive Investment Strategy, your funds will be invested in the Growth Fund for the first 13 years, Balanced Fund in the next 4 years and Secure Fund for the last 3 years.

At any given time, you have the ability to change the selected Investment Strategy up to a maximum of two times in a policy year.

The Investment Strategies are designed to help you decide on how to invest your funds depending on your policy term and risk appetite.

If you want to select your own combination of funds, you can select Advanced Investment Strategy wherein you will have the flexibility of deciding how your premiums are invested or switch your accumulated funds between the 3 investment-linked funds anytime during the policy term.

The investment-linked funds

Secure Fund	Balanced Fund	Growth Fund
A higher proportion in debt securities with a lower exposure to equities provides progressive returns.	Investment in both debt and equity provides a good balance between risk and return.	High capital growth by investing a higher proportion in the equity market. Equity Investments are typically considered as high risk investments.
Composition		
Debt Securities: 40-100% Equities: 0-20% Money Market & Cash: 0-40%	Debt Securities: 10-90% Equities: 10-60% Money Market & Cash: 0-30%	Debt Securities: 0-50% Equities: 20-100% Money Market & Cash: 0-30%

Unit Price growth*

Fund	2010	2011	2012	2013	2014	2015
Secure	14%	6%	9%	11%	8%	6%
Balanced	46%	-4%	8%	10%	12%	2%
Growth	86%	-12%	6%	7%	18%	-4%

* Please note that past performance is not an indication of future returns

How does your Pension fund grow?

If you are 35 years old (at next birthday) in 2016 and plan to retire at 55 (you pay for 20 years) and pay a monthly basic premium of LKR 10,000, with an annual inflation guard of 5% your illustrated Pension fund at retirement will be as follows:

Pension Details	Assumed Investment Returns		
	4% p.a.	8% p.a.	12% p.a.
Illustrated Pension Fund at Retirement	4,844,470	7,092,788	10,678,384
Illustrated Monthly Pension			
At Retirement Age	26,914	39,404	59,324
At the start of the 5 th year	31,200	55,267	99,965
At the start of the 10 th year	36,170	77,514	168,447
At the start of the 15 th year	40,709	101,606	255,714

Values in LKR

The projected values are for illustration purposes and have been calculated assuming premiums are invested in the Aggressive Investment Strategy. The illustrated monthly pension amounts are for a pension receiving period of 15 years.

The actual values will depend on both the investment performance and the charges applicable in respect of each fund.

These assumed rates of return are not guaranteed and are not the upper or lower limits of what you might get.

Enhanced flexibilities under your pension plan

Inflation Guard

Inflation Guard is designed to help you protect your Pension fund against inflation.

At policy commencement the Inflation Guard is set at 5%, which means your annual basic premium and premium for premium protection benefit will increase by 5% each year. From the second policy year onwards, you will be able to maintain the Inflation Guard at 5% or change the annual percentage to 0%, 10% or 15% effective from next policy anniversary.

Even in the unforeseen event of your death the rate of the Inflation Guard you opted for will continue to apply. This will provide protection against inflation to the Pension fund for your spouse and dependents.

Top-up Premium

During the premium paying term, you may in addition to paying your regular premium increase your Pension fund via top-up premiums. Top-ups may be made at any time and must not be lower than LKR 60,000.

A Life Cover that suits you

AIA Pensions offers you a life cover that is twice your initial annual basic premium. In addition, by paying a nominal amount, you have the option of increasing your life cover if required.

What if the unforeseen occurs?

During the premium paying period

AIA will continue your policy by paying the premium on your behalf, ensuring that your spouse or dependents receive a monthly Pension, until the end of the opted pension receiving period. In addition, your dependents will immediately receive the life cover benefit. Further, the benefits you opted for your spouse and children will continue as planned.

During the pension receiving period

Your spouse and dependents will receive the monthly Pension, until the end of the opted pension receiving period.

Other product information

- Entry age: 18-55 years
- Retirement age: 28-65 years
- Allocation of basic premium

Policy year	1 st	2 nd	3 rd	4 th and 5 th	6 th onwards
Allocation rate	45%	75%	85%	95%	99%

- You can pay your premium monthly, quarterly, half yearly or annually.

What happens if the plan lapses

If you don't pay your premiums within the grace period of 30 days during the first three policy years, the plan will lapse and you will not receive any benefits under the policy. However, you have the option of reinstating the policy subject to policy conditions.

If you have paid and continued your policy for three years or more, you can, if absolutely essential, cash-in your plan. However, doing so is not advised and will incur a large surrender penalty, since the policy is specially designed to maximize your Pension benefits.

Alternatively, you can let your fund grow without the benefit of a life cover and receive a Pension based on the fund value at the time of commencement of monthly pensions.

Additional Benefits

Income Protection Benefit

In the unforeseen event of your death or Total Permanent Disability, your dependents will be provided a monthly income during the premium paying term of the policy for a maximum period of 10 years.

Additional Life Benefit

By paying a nominal amount, you can increase your life cover.

Accident Benefit

Provides additional life cover in the event of accidental death. This benefit will also provide you with financial assistance in the event of a Permanent Disability (the amount will depend on the severity of disability).

Hospitalization Benefit

Provides a daily cash payment of up to LKR 10,000 per day from the first day onwards if you are hospitalised for over three days. This sum is doubled if admitted to the Intensive Care Unit. This benefit can be extended to your spouse and children as well.

Adult Surgery Benefit

Provides financial support for you and your spouse for 250 listed surgeries performed in Sri Lanka, India or Singapore.

Critical Illness Cover

Financial assistance for you and your spouse for critical illness. You could choose your cover up to a maximum of LKR 3 million.

Spouse Life Cover

Provides a life cover for your Spouse on your policy.

Child Health Care Benefit

Financial support for 250 listed surgeries performed in Sri Lanka, India or Singapore. In addition, it also provides cash for hospitalisation and a special allowance if a parent stays over with a child under 12 years.

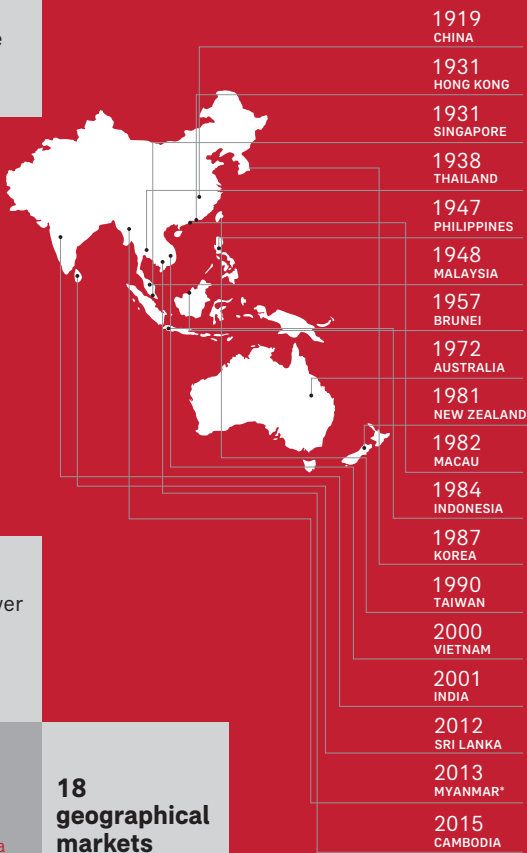
If the Life Assured is not the Policy Owner, the benefits provided by this policy will be applicable to the Policy Owner, whilst the covers are applicable to the Life Assured.

This brochure is only a product overview. For full product details please refer the policy document.

The company does not guarantee the returns of the fund(s) and/or savings benefits of this insurance policy and such returns of the fund(s) and/or savings benefits are subject to the investment risk (in view of the fluctuations in the market prices of the underlying assets) and such investment risks shall be borne by the policy owner.

About AIA

AIA Group is the pre-eminent life insurance provider in the Asia Pacific region.



A total Sum Assured of over **US\$1 trillion**

Almost 100 years of history in Asia

18 geographical markets

More than **30 million** individual policies

More than **16 million** group scheme members

* AIA has a representative office in Myanmar



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